

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

March 30, 1970

TOP SECRET/SENSITIVE

OSD, NSS,  
Review  
Completed

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: Defense Program Review Committee

In order to prevent a repetition of the problems which we had with the FY 71 Budget as it pertained to Defense Department expenditures, a basic charter is needed for the Defense Program Review Committee. It is requested that you sign the attached memorandum, which is designed to provide direction for this year's DPRC efforts.

Attachment

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THE WHITE HOUSE

WASHINGTON

APR 2 1970

MEMORANDUM FOR

CHAIRMAN, DEFENSE PROGRAM REVIEW COMMITTEE

This year, I would like to review major defense policy and program issues when the Defense program is still in its formative stages, well in advance of the final review of the Defense Department's budget in December.

I would like the Defense Program Review Committee to assist me in this review by undertaking immediately a series of studies on our military posture and forwarding the results to me over the next six months.

I would like this review to cover the following subjects:

- a definition and analysis of our overall strategy for general purpose and theater nuclear forces in relation to the threats we face and to our interests and commitments;

- the availability of funds for defense and non-defense programs over the next five years and potential trade-offs between defense and non-defense expenditures;

- an analysis of the actual and projected capabilities and costs of our general purpose forces in relation to specific military threats, in particular Army and Marine Corps land forces, carrier-based and land-based tactical air forces, and anti-submarine warfare forces;

- an analysis of the actual and projected capabilities and costs of our strategic nuclear forces in relation to the Soviet and Chinese threats and to our criteria for strategic sufficiency, including analysis of U.S. requirements for a manned bomber and for continental air defense forces;

-- an analysis of our overall concept and programs for military research and development in relation to projected requirements for new weapon systems.

Would you please have the Defense Program Review Committee prepare terms of reference and a schedule of completion for these studies and forward them to me for my review by April 10, 1970.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 26, 1970

TOP SECRET/SENSITIVE

MEMORANDUM FOR DR. KISSINGER

FROM: Laurence E. Lynn, Jr. *EL*

SUBJECT: DPRC

As you requested, I have prepared a Memorandum for the President:

-- explaining your disagreements with Secretary Laird concerning the role of the DPRC, and

-- recommending that the President sign a memorandum to you as Chairman of the DPRC directing that a series of studies be done.

RECOMMENDATION

That you sign the enclosed memorandum to the President.

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THE WHITE HOUSE  
WASHINGTON

RETYPE

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MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Defense Program Review Committee (DPRC)

Background

On October 11, 1969 you signed a National Security Decision Memorandum which directed the formation of the Defense Program Review Committee. (Tab B)

The NSDM states that:

"The Committee will review the diplomatic, military, political and economic consequences of issues requiring Presidential determination that result from;

- proposals to change defense strategy, programs and budgets,
- proposals to change U.S. overseas force deployments and committed forces based in the U.S.,
- major defense policy and program issues raised by studies prepared in response to National Security Study Memorandum."

The NSDM further states that "Issues will be brought to the attention of this group at the initiation of the addressee agencies or of the Chairman [the Assistant to the President for National Security Affairs].

The central purpose of the DPRC, as I understood your thinking then, was to insure that major defense policy and program issues were being examined in a broad foreign policy context throughout the year and, if necessary, brought to your attention.

If this were done, you would not be confronted with the necessity to make major defense policy and program decisions under intense pressure and without adequate analysis at the end of the annual budget review.

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In the months since the DPRC was formed, there has been an extended discussion among the agencies concerning how your guidance should be translated into a specific work program for the DPRC and how the DPRC itself should function.

Because some important differences of view have emerged, I believe it would be desirable for you to review them and provide us with a further indication of the role you want the DPRC to fulfill.

Secretary Laird's Views

Secretary Laird's views on the scope of the DPRC's work are summarized in his two March 14, 1970 memorandums for me at Tabs C and D. Two memorandums of mine which he objects are at Tabs E and F.

Secretary Laird notes that there are seven levels of analysis required for well informed decisions:

1. Overall U.S. Economy -- government vs. private spending
2. Within Government Sector -- federal vs. state vs. local spending.
3. Among Federal Government Uses -- DOD vs. HEW, etc.
4. Within Defense -- strategic forces vs. general purpose forces vs. research and development
5. Within a Given Defense Use -- ICBMs vs. Bombers vs. SLBMs
6. Within a Given System -- Minuteman vs. Titan, etc.
7. Within a Particular Weapon -- warhead vs. guidance vs. penetration aids, etc.

Secretary Laird's judgment is that "The DPRC should . . . address the optimizations at the first three levels . . . . We have existing and appropriate arrangements for considering the lower level optimizations."

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The lower level question which Secretary Laird feels are inappropriate for the DPRC include, for example, how we should balance expenditures on strategic and general purpose forces in light of the threats and risks we face, requirements for continental air defense, the future strategic role of a manned bomber, and our requirements for aircraft carriers and the military and foreign policy implications of alternative carrier force levels.

My understanding of his rationale is that he wants to be in full control of his internal force planning process. In the next few months, he must review each Service's proposals, together with the force plans of the JCS, and find ways to fit them within the overall budget guidance.

When he has completed his internal review and decided on a five year plan which is consistent with the budgetary guidance, he will submit it to the DPRC in September.

In the meantime, he doesn't want an outside Group like the DPRC to intervene and further complicate an already complicated planning process.

#### The Issues

Secretary Laird and I are in complete agreement on four issues:

-- We both believe that systematic analysis of the proper size and allocation of the Federal budget is badly needed and would be of great assistance to you in your budget planning.

-- We (and Budget Bureau officials as well) agree that the process whereby major domestic program decisions are made throughout the year, whereas the DOD budget is reviewed only near the end of the budget cycle, may put DOD at a distinct disadvantage: if new domestic program initiatives taken during the year cause your spending commitments to exceed projected revenue by the time DOD's budget comes to your attention, DOD may be forced to take disproportionate cuts in its budget to bring total spending and revenues into balance.

-- We agree that the DPRC should analyze alternative DOD budget levels in the light of their impact on spending for domestic programs, on our ability to fulfill our obligations and commitments, and on the overall capabilities of our military posture. Studies to accomplish these objectives are already underway.

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-- We agree that the DPRC should not become involved in detailed program management or weapons design issues.

Our disagreements are as follows:

-- I do not believe that the DPRC -- the primary function of which, as I understand it, is to insure balanced and comprehensive analysis of major Defense policy and program issues -- should concern itself with analyzing the size and scope of government activities, the proper level of Federal spending and the allocation of the Federal budget among DOD and other agencies. The DPRC is not constituted for these tasks, as it lacks non-defense agency representation, and I question whether it would be appropriate for me to oversee this work.

However, at such time as your Domestic Policy Council is in a position to undertake an analytical presentation of domestic program "strategies" and their costs, we could join forces with them and discuss the larger questions Secretary Laird raises with the entire Cabinet. I see no intellectual obstacles to achieving this within six months.

-- I believe that, in addition to analyzing our national security objectives, strategies and overall budgets the DPRC must analyze major DOD policy and program issues well in advance of the final budget review.

We cannot analyze the size of the DOD budget in the abstract. It must be done in the context of specific threats to our security and our interests, capabilities required to meet these threats at various levels of risk, and the implications for defense and non-defense spending of implementing any particular alternative.

For example, in my January 19, 1969, memorandum to which Secretary Laird is responding, I suggested a work program as follows:

-- Analysis of forces, threats and strategies in relation to U.S. overseas commitments and policies,

-- Analysis of resources required for defense and relation of defense budgets to civilian programs and the economy.

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(Secretary Laird and I are in agreement on the need for these first two studies, and they are underway.)

- review of U.S. general purpose forces posture;
- review of U.S. strategic posture;
- future strategic role of manned bombers;
- requirements for aircraft carriers;
- continental air defense.

In addition, the State Department has proposed a study of our overall base structure in East Asia.

In my judgment, if such analyses could be completed and reviewed by you during the next three or four months, you could indicate your decisions and priorities to both DOD and the Budget Bureau well in advance of the final budget review and foreclose the necessity of making most major decisions at the last minute without knowledge of their implications.

Moreover, Secretary Laird would no longer be at the "end of the line" when the final budget review took place.

Equally important, you would have a much better opportunity to shape our defense posture in accordance with your thinking rather than having the posture reflect compromises struck among three competing Military Services. (Many thoughtful military leaders, recognizing that three Military Departments competing with each other for prestige and scarce resources can never harmonize their interests, would welcome more Presidential direction.)

(For example, DOD is now planning the U.S. Army to be about the same size as it was when the "massive retaliation" doctrine governed our posture in the 1950s. Furthermore, the greatest part of the sustaining support for the Army will be in the reserves rather than in the active forces. Thus, in the future, sustained combat by sizeable Army forces will require a reserve call-up.

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These may well be wise policies in the light of the situation we expect in the 1970s. However, in view of their implications, I believe you should have the opportunity to review them and consider the costs, advantages and risks of alternatives.)

RECOMMENDATION

Unfortunately, prolonged discussion has not resolved the disagreements.

-- If you endorse Secretary Laird's view that the DPRC should concentrate on high level resource allocation decisions, you need do nothing further. I will see to it that the DPRC moves in the proper directions.

-- If you endorse my view that the DPRC must analyze major DOD policy and program issues throughout the year, I recommend that you sign the memorandum at Tab A, which states your view of the DPRC's role and directs that a series of studies be done.

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THE WHITE HOUSE  
WASHINGTON

October 11, 1969

SECRET

National Security Decision Memorandum 26

**TO:** The Vice President  
The Secretary of State  
The Secretary of Defense  
The Assistant to the President for  
National Security Affairs  
The Director of Central Intelligence  
The Director of the Office of Emergency  
Preparedness  
The Chairman, Council of Economic Advisors  
The Director of the Bureau of the Budget

**SUBJECT:** Defense Program Review Committee

To assist me in carrying out my responsibilities for the conduct of national security affairs, I hereby direct the formation of the Defense Program Review Committee.

This Committee will review the diplomatic, military, political and economic consequences of issues requiring Presidential determination that result from

- proposals to change defense strategy, programs and budgets,
- proposals to change U.S. overseas force deployments and committed forces based in the U.S.,
- major defense policy and program issues raised by studies prepared in response to National Security Study Memorandums.

The Committee will meet as necessary and supervise the preparation of issues papers for consideration by the National Security Council. Issues will be brought to the attention of this group at the initiation of the addressee agencies or of the Chairman. Studies of defense

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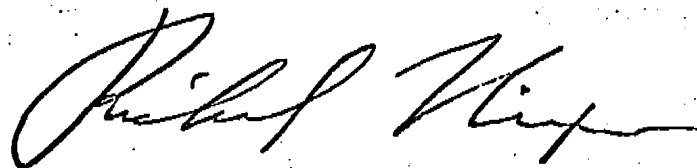
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policy and program issues undertaken in response to National Security Study Memorandums will be submitted to the Defense Program Review Committee prior to NSC consideration rather than to the NSC Review Group.

The membership of the Defense Program Review Committee shall include:

- The Assistant to the President for National Security Affairs (Chairman)
- The Under Secretary of State
- The Deputy Secretary of Defense
- The Director of Central Intelligence
- The Chairman, Joint Chiefs of Staff
- The Chairman, Council of Economic Advisers
- The Director of the Bureau of the Budget

Depending on the issue under consideration, other agencies shall be represented at the discretion of the Chairman.



cc: Chairman, Joint Chiefs of Staff

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THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

14 MAR 1970

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR  
NATIONAL SECURITY AFFAIRS

SUBJECT: Defense Program Review Committee (DPRC) Working Group  
Procedures

As I am indicating in a separate memorandum to you, I am concerned about the role and utilization of the DPRC. It appears the DPRC may not be addressing the major and critical task for which it was established. Rather, the DPRC appears to be addressing other issues -- of importance, to be sure -- but for which other institutional arrangements for resolution already exist.

We agree, presumably, there is inadequate analysis of the distribution of resources within the public sector. The following outline illustrates, using Defense as an example, the chain of allocation decisions which must be made:

Sector and Optimization Level

- |                               |   |
|-------------------------------|---|
| 1. Overall US Economy         | Consumer vs. Business vs. Govt Uses     |
| 2. Within Government Sector   | Federal vs. State vs. Local             |
| 3. Among Federal Govt Uses    | Defense vs. HEW vs. Trnsp, etc.         |
| 4. Within Defense             | Strategic vs. GenPurp vs. R&D, etc.     |
| 5. Within a Given Def Use     | ICBMs vs. SLBMs vs. Bombers             |
| 6. Within a Given System      | MinMan vs. Titan, vs. Other             |
| 7. Within a Particular Weapon | Warhead vs. Guidance vs. Pen Aids, etc. |

The DPRC should, in my judgment, address the optimizations at the first three levels, as outlined above. We have existing and appropriate arrangements for considering the lower-level optimizations. (I will soon forward to you a proposed DPRC agenda for the next six months.) Given those fundamentals, I believe it is desirable to reassess the role and mechanics of a DPRC Working Group. It is not clear a Working Group, in a formal sense, would be needed.

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As you note in your memoranda, DOD will normally be the agency most concerned with the issues before the DPRC. Under your proposed procedure, the Working Group would thus usually be referring its work to DOD. Given this situation, I believe it is essential that a DPRC Working Group be chaired by someone within DOD, that is, if the Working Group is to be maintained. I would designate my Assistant Secretary for Systems Analysis, Dr. Gardiner Tucker, to direct such DPRC Staff work.



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THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

14 MAR 1970

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL  
SECURITY AFFAIRS

SUBJECT: Defense Program Review Committee (DPRC)

I believe that we should carefully reconsider the role of the DPRC. Your memoranda of January 19 and February 26, 1970 indicate that we do not share the same views on this subject. I hope we can fully agree on this issue, because I believe that the DPRC should, and can, fulfill a critical function which is not being, and which has never been, performed.

The primary concern of the DPRC should be the allocation of resources within our economy. The studies would include the allocations between the public and private sectors, within the public sector, and between defense and other Federal programs.

In considering this problem of overall resource allocation, the DPRC should examine the following types of questions:

1. The resources available for defense. This would include studying the total level of overall resources, the availability of resources to the public sector, and allocations within the public sector between defense and other needs.

2. Our national security objectives and strategy. We need a better understanding of the implications of our current strategy in terms of the broad tasks to be accomplished.

3. The relationships among goals, resource availability and policy. To meet national security goals, while striving for other public sector objectives, may require fiscal, monetary, and debt policies -- even to include controls -- that constitute diminution of other national goals. We should consider the trade-offs, for example, among national security, price stability, balance of payments equilibrium, and the absence of controls.

4. The foreign policy implications of defense actions. If we cannot meet all obligations within reasonable terms, a variable in our studies should be reformulation of US interests and commitments.

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It is unlikely that the DPRC's first iteration of our national goals and the resources available to meet them will be perfectly balanced. The DPRC should be prepared to examine alternative levels of funding for defense, including possible reallocations from other public programs or from the private sector of the economy. Several iterations may be necessary to provide the NSC, and the President, with a satisfactory array of options.

The job outlined above is, in my judgment, critical to national planning elsewhere in Government and especially to logical Defense planning. But the job is not being done. It was my understanding the DPRC was established specifically for this purpose. It is the task outlined for the DPRC in the President's Foreign Policy Report to Congress. To do the job responsibly will be a major task, occupying the full time and talent now available to the DPRC.

After the President has decided upon strategies and resources for defense, I believe it is my responsibility to provide the forces which implement these decisions. The DPRC should not be distracted from this role by lesser issues such as the future role of strategic bombers, requirements for aircraft carriers, and continental air defense.

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*Do Lyn*

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

January 19, 1970

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MEMORANDUM FOR THE DEFENSE PROGRAM REVIEW COMMITTEE

SUBJECT: Establishment of Defense Program Review Committee  
Working Group

Based on our prior discussions and the presentation to us at our last meeting of the draft Fiscal Guidance for the Defense Department, the agenda for the Defense Program Review Committee for the coming months should include:

General issues:

- Analysis of Forces, Threats, and Strategies in Relation to U.S. Overseas Commitments and Policies;
- Analysis of Resources Required for Defense and Relation of Defense Budgets to Civilian Programs and the Economy;
- Review of U.S. General Purposes Forces Postures;
- Review of U.S. Strategic Posture.

Specific issues:

- Future Strategic Role of Manned Bombers;
- Requirements for Aircraft Carriers;
- Continental Air Defense.

These issues, together with any other issues suggested by members of the Committee, will be considered by the DPRC during the period prior to the submission by the Defense Department in September of their Five Year Force and Program Plan for FY 72-76.

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It is essential that the Committee have a regular procedure for organizing and preparing for its consideration of these issues. To that end, the President has directed that the Defense Program Review Committee establish a Working Group to assist it in its work.

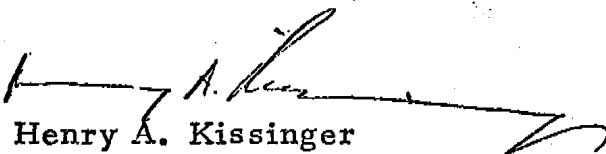
This Working Group will be chaired by a representative of the Assistant to the President for National Security Affairs and will include a representative of each regular member of the Committee.

The responsibility of the Working Group will be the preparation, prior to DPRC consideration of an issue, of a paper which will :

- set forth and analyze the issue or problem;
- state with precision any differences of views within the Government and the reasons therefore;
- present the options available to the President, indicating in summary form their advantages and disadvantages.

The Working Group will be responsible for organizing and supervising whatever studies and analyses are required for the preparation of the DPRC papers, drawing on the participating agencies for staff support.

Please let me have the name of your representative on the Working Group by January 23, 1970.

  
Henry A. Kissinger

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THE WHITE HOUSE  
WASHINGTON

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February 26, 1970

MEMORANDUM FOR

The Under Secretary of State  
The Deputy Secretary of Defense  
The Director of Central Intelligence  
The Chairman, Joint Chiefs of Staff  
The Chairman, Council of Economic Advisers  
The Director, Bureau of the Budget

SUBJECT: Defense Program Review Committee Working Group  
Procedures

I have designated Dr. Laurence E. Lynn as my representative to, and chairman of, the Working Group.

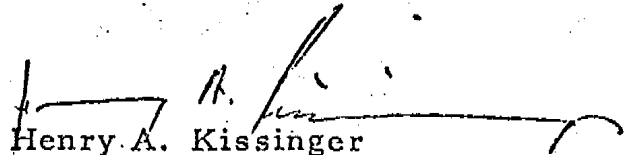
These procedures will govern the functions of the Working Group:

-- The DPRC, normally after receiving a proposal or presentation from the Defense Department will identify issues requiring further consideration and will refer them to the Working Group.

-- The Working Group will assign the agency most concerned, usually the Department of Defense, or, if appropriate, an interagency team, the task of preparing an initial paper. For example, the Defense Department Representative would normally prepare papers on issues involving force levels or weapons systems, analyzing the issue and setting forth the DOD position, or the alternatives among which it recommends that choice be made.

-- The Working Group will then review the paper for completeness, adequate presentation of differing views, and inclusion of an adequate range of alternatives.

-- After necessary revisions, the paper will be forwarded to the DPRC for discussion.

  
Henry A. Kissinger

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